

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7690**

**BILL NUMBER:** HB 1713

**NOTE PREPARED:** Jan 10, 2005

**BILL AMENDED:**

**SUBJECT:** Gas Tax.

**FIRST AUTHOR:** Rep. Reske

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill increases the appropriation from the Motor Vehicle Highway Account (MVHA) for grant-in-aid subsidies to counties for the salaries of full-time county highway engineers.

The bill also makes an appropriation from the MVHA of grant-in-aid subsidies to counties for the salaries of county highway supervisors that attain specified educational achievements with respect to the road scholar program offered by the local technical assistance program.

The bill also makes an appropriation from the MVHA for grant-in-aid subsidies to cities for the salaries of city traffic engineers who are registered professional engineers.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** The proposal establishes the County Highway Supervisor Fund and the City Traffic Engineer Fund. The funds are to be administered by State Auditor. Expenses of administering the funds are to be paid from the funds.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Summary:* The bill makes three annual appropriations from the Motor Vehicle Highway Account. The quantifiable total impact is an annual appropriation from the counties' share of the MVHA distributions of \$3,680,000. In addition, there will be an indeterminable appropriation from the cities' share of the MVHA distribution. Appropriating funds for the grants-in-aid subsidies will mean that there will less MVHA funds for general distribution for counties, cities, and towns, but more for those cities, towns,

and counties who participate in the grant-in-aid programs.

*Background Information:* From the April distribution of the counties' share of the MVHA, \$1,380,000 is appropriated to the County Highway Supervisor Fund, established by the bill, for the purpose of distributing to counties a subsidy to be applied toward the county highway supervisor's annual salary. The following table shows the amount of money for various designations.

DESIGNATION	AMOUNT
Master Road Builder	\$15,000
Road Builder	\$7,5000

Also, the proposal appropriates \$3,220,000 annually from the April distribution of the counties' share of the MVHA to the existing County Highway Engineer Fund. This represents an additional \$2,300,000 appropriation over the existing annual appropriation of \$920,000. The appropriation is for the purpose of distributing to counties a subsidy to be applied toward the county highway engineer's annual salary.

From the cities' share of the of the September MVHA distribution, an unspecified appropriation is made to the City Traffic Engineer Fund, established by the bill, for the purpose of distributing to cities a subsidy to be applied toward the city traffic engineer's annual salary.

The appropriation amounts are to be adjusted annually by changes in the Consumer Price Index.

Appropriating funds for the grants-in-aid subsidies will mean that there will less MVHA funds for general distribution for counties, cities, and towns, but more for those cities, towns, and counties who participate in the grant-in-aid programs. Any balances at the end of a calendar year are to be returned to the counties' and cities' share of the MVHA to be distributed in January of the following year. The table below shows the MVHA distributions to cities, towns, and counties for FY 2002 through FY 2004.

	FY 2002	FY 2003	FY 2004
Counties	\$182,543,810	\$183,238,994	\$209,516,315
Cities and Towns	\$ 86,014,010	\$ 86,267,521	\$ 98,628,190
<b>TOTAL</b>	<b>\$268,557,820</b>	<b>\$269,506,515</b>	<b>\$308,144,505</b>

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** State Auditor.

**Local Agencies Affected:** Counties, cities, and towns.

**Information Sources:** *Handbook of Taxes, Revenues, and Appropriations* for FY 2002, FY 2003, and FY 2004, Legislative Services Agency.

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